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SENATOR BILL MORROW



CAPITOL UPDATE

Davis: A Natural Disaster for State Highways

California's transportation infrastructure is the backbone of the state's economy and an important element in the quality of life of its citizens. In the 1960s, under the visionary leadership of Governors Pat Brown (Democrat) and Ronald Reagan (Republican), California built the finest freeway network in the world. During that period, California led the nation in construction of a state of the art infrastructure system and that investment has paid dividends for nearly thirty years. This investment has helped Californians enjoy the highest quality of life, record-breaking population growth, and an economy that has blossomed into the fifth largest in the world, recently surpassing France's.

Since that initial commitment to the future, California's leaders have turned their attention to other issues and have neglected the state's infrastructure system. Despite the fact that the road system built in the 1960s had an expected life span of only 20-30 years, political leaders have failed to maintain and expand this vital asset to keep pace with population growth. The result is a transportation system in crisis.

Since taking office, Governor Davis has styled himself as a moderate -- a fiscally responsible Democrat whose focus is to rebuild California. A closer look at his record illustrates that he has been a disaster for California's state highway system. He diverts and sacrifices road-building funds in order to support other priorities. The era of road building is indeed coming to an end, and road maintenance is a minimalist exercise. Motorists stuck in gridlock need look no further than the Governor's office to identify the cause of the problem.

Transportation in Crisis

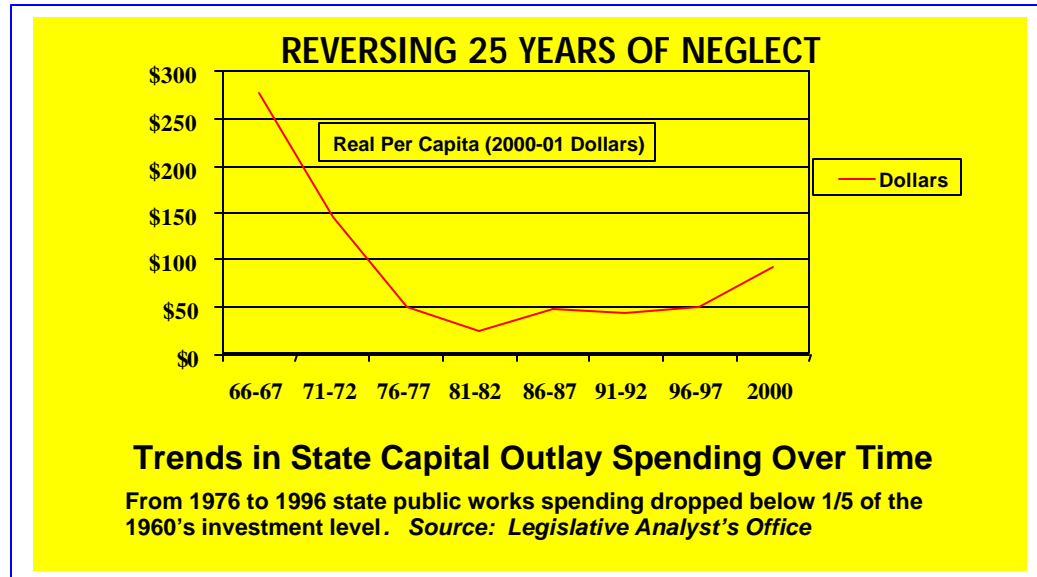
- In the past ten years, automobile travel in California has increased 10 times faster than new lane capacity has been added.
- Total highway capacity has increased only 8% in the past 20 years, while the state's population has increased by 50% and vehicle miles traveled have more than doubled.
- If nothing changes, Caltrans estimates that by year 2020, more than 6,000 miles of our 15,000-mile State Highway system will be gridlocked.
- Despite the fact that Californians pay the nation's 3rd highest per-vehicle tax, California ranks 50th in per capita spending on roads.
- \$1.5 billion per year in gasoline sales tax collected for the purpose of funding transportation projects has been siphoned to the general fund to pay for other government programs.
- California invests less per capita on its roads than any other state, spending just \$82 per person in 2000, a full 57% below the national average of \$147.
- Caltrans estimates that congestion on urban highways costs Californians \$7.8 million per day, or \$2.8 billion per year in wasted time and fuel.
- In the past decade, the time that California motorists waste in traffic congestion has more than doubled; the percentage of the road system that is congested rose from 17% to 40%.
- According to Transportation California, California's road quality ranks dead last among U.S. states.

The Root of the Crisis: Two Decades of Neglect

California's transportation crisis is the result of two decades of one-party (Democratic) control of the Legislature, which has placed a higher priority on funding non-infrastructure social programs at the expense of the state highway system. During this Democratic tenure, an increasing percentage of the gasoline taxes, designed to maintain and expand the system, have been transferred to the General Fund for use on other programs. This philosophical shift is reflected in the spending patterns for all infrastructure programs. From 1976 – 1996, state public works spending dropped to below 1/5th of 1960s levels.

In the 1960s, over 20% of the state budget was dedicated to the development of infrastructure for the future needs of the citizens and the economy of the state. Today, that figure has dropped to just 3%. Less than one-half of one percent of the State's general fund is spent on capital outlays.

When constructed, California's highway system had a life expectancy of thirty years, which has already been exceeded. As a result, an increasing portion of the revenues spent on transportation are being dedicated to maintaining and rehabilitating aging facilities, rather than in capacity expanding capital outlay programs. Given the diminishing return from the gas tax and the increasing maintenance and rehabilitation budget, it becomes increasingly important that all transportation revenue streams be dedicated to roads.



Transportation Revenues for Transportation Projects

California's transportation system has become a "cash cow" for politicians bent on increasing the size of government. *Every single year, California motorists pay more than \$15 billion in taxes, which have been diverted to the general fund.*

In response to Republican pressure in Sacramento, the Legislature passed ACA 4, placing Proposition 42 on the March 2002 ballot. PROP 42 amends the Constitution to ensure that revenues raised through the sale of gasoline will be used for their intended purpose: the maintenance and expansion of California's transportation infrastructure. Passage of this important proposition will provide a constitutional protection against the misuse of transportation dollars to pay for other government spending.

An additional \$1.5 billion per year to be used on transportation infrastructure is the first step toward rebuilding, a step that California Republicans are prepared to take.

The Republican Solution: A "20/20 Vision" for the Future

The Republican solution to California's transportation crisis is a return to the vision and leadership of past governors Ronald Reagan and Pat Brown, a return to the priorities that invested in the future to build a transportation system that propelled California's economy to the forefront.

In the past several years, Gray Davis and Legislative Democrats have championed unprecedented government growth during a period of huge budget surpluses. Throughout that period, Democrats have not had the vision to invest in our aging infrastructure. Instead, Democratic leaders have argued for increased local authority to pass local tax increases and bonds to help cover the costs of infrastructure investment. This is the same vision that has led to the current crisis; that has taken California from the world's greatest transportation system to the nation's worst.

The time has come for bold vision and leadership. The Republican transportation plan invests in the future without mortgaging the past, builds the infrastructure we need using the money we already collect rather than by diverting funds.

Pay as You Go Financing for the Future

The Republicans' proposal for infrastructure investment, "the 20/20 Vision Plan," commits to a massive long-term investment through the year 2020 to rebuild California's aging infrastructure. Based on actual budget growth over the past 20 years, the "20/20 Vision Plan" will fund \$120 billion in high-priority infrastructure investments without raising taxes or mortgaging the future.

The plan creates a separate Infrastructure Fund in the State Budget. Starting next year, 1% of the State general fund will be shifted to the Infrastructure Fund. Each year that the general fund is not in deficit, that amount will be increased by $\frac{1}{2}$ of one percent until the commitment reaches 5% -- or one-twentieth -- of the general fund.

The plan provides local government with 75% of the revenues produced, on a per capita basis, putting the money in the hands of the people that need it to build new freeways, streets and roads, school and water and sewer systems. The "20/20 Vision Plan" gives city and county governments the flexibility to fund these infrastructure improvements without the need for increasing sales taxes or increasing their bonded indebtedness.

The Republican plan for transportation represents a return to the vision and investment that made California's transportation system the state of the art and that propelled California's economy to the forefront of the global economy.

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